

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

HILLARY LEBOWITZ,)	10-00233
)	
Plaintiff,)	
)	
vs.)	
)	
TACONY ACADEMY, et al.,)	Philadelphia, PA
)	May 25, 2011
Defendants.)	12:22 p.m.

TRANSCRIPT OF SETTLEMENT
BEFORE THE HONORABLE TIMOTHY R. RICE
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff:	JILL FISHER, ESQUIRE ZARWIN, BAUM, DEVITO, KAPLAN, SCHAER & TODDY, P.C. 1818 Market Street, 13th Floor Philadelphia, Pennsylvania 19102
For the Defendant Tacony Charter School	JOHN GONZALES, ESQUIRE MARSHALL DENNEHEY WARNER COLEMAN & GOGGIN 620 Freedom Business Center Suite 300 King of Prussia, Pennsylvania 19406
For the Defendant Santilli & Thompson, LLC	TRACY WELSH, ESQUIRE WEBER GALLAGHER SIMPSON STAPLETON FIRES & NEWBY, LLP 2000 Market Street 13th Floor Philadelphia, Pennsylvania 19103
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produced by transcription service.

1 (Call to the Order of the Court)

2 THE COURT: Our Court reporter is Kristin. So
3 welcome her, Kristin Makely. She's the best in the business.
4 Some of you may remember her from her days with Judge Yohn
5 many years ago.

6 We're here on a case of Hillary Lebowitz v. Tacony
7 Academy Charter Schools, Santilli & Thompson, LLC, Gerald
8 Santilli and Stacy Cruise. Docket number's 10-0233.

9 We spent the morning in a settlement conference. Why
10 doesn't everybody introduce themselves and their clients?
11 Let's start with you, Ms. Fisher.

12 MS. FISHER: Jill Fisher. I'm the attorney for
13 plaintiff, Hillary Lebowitz.

14 THE COURT: Ms. Lebowitz is seated to your right?

15 MS. FISHER: Yes.

16 MS. LEBOWITZ: I am Hillary Lebowitz.

17 THE COURT: It's kind of like a TV talk show here.
18 Mr. Gonzalez?

19 MR. GONZALES: John Gonzalez for defendant Stacy
20 Cruise and Tacony Academy Charter School.

21 MS. WALSH: Tracy Walsh for defendants Santilli &
22 Thompson, LLC and Gerald Santilli. And Mr. Santilli is seated
23 to my left.

24 THE COURT: Okay. And who else do you have with you?

25 MR. GONZALES: Stacy Cruise, my client is here, as

1 well as Stacy Widlansky from the insurance company.

2 THE COURT: All right. Let me summarize briefly what
3 we've agreed to. We've agreed to settle the case for an
4 amount of money specified in my Chambers.

5 The case is going to be settled contingent upon the
6 Board of the Tacony Academy Charter School approving the
7 settlement. But I wanted to make sure everybody here today
8 concurs on the settlement before we take it to the Board.

9 So the settlement will be effective, assuming the
10 Board approves it based on what we do today. The other terms
11 of the settlement agreement are -- is that the parties agree
12 that before the case is dismissed, Judge Pratter can dismiss
13 Mr. Santilli and Ms. Cruise as defendants from the case.

14 Ms. Lebowitz agrees not to reapply or seek re-
15 employment with any of the schools which Mr. Santilli
16 operates. Which are Tacony Academy and one other one.

17 MR. SANTILLI: First Philadelphia Charter School.

18 THE COURT: First Philadelphia Charter School.

19 Ms. Lebowitz agrees that she will not provide
20 services to either of those schools through her current
21 employment, or any subsequent employment she may obtain in the
22 field. The parties agree that the terms among themselves will
23 be confidential. The parties agree that they will not
24 disparage each other. That is no one will say bad things
25 about anybody in public about either party.

1 The defendant agrees to provide Ms. Lebowitz with a
2 neutral reference. That is name, job, salary and dates of
3 service. Ms. Lebowitz's personnel file will be moved from the
4 school to the Office of the General Counsel for the school,
5 where it will be kept in a secure place and not disclosed
6 absent a court order or a valid subpoena.

7 Ms. Lebowitz will execute a full release for all
8 claims she may have against any of the defendants. Payment --
9 is payment in 30 days upon signing the paperwork doable? All
10 right. So payment will be made in 30 days upon Ms. Lebowitz
11 signing all the relevant papers. And there's going to be a
12 1099 provided.

13 Ms. Fisher just asked a question as we were coming
14 in. Can you cut two checks, one to Ms. Fisher, one to Ms.
15 Lebowitz? So Ms. Fisher will give you her Tax ID numbers and
16 breakdown of how she wants that check cut.

17 Those, as I have it, in addition to the monetary
18 settlement which we discussed previously in Chambers, are the
19 essential terms of the settlement. Does anybody else have any
20 other ones that I missed?

21 MS. FISHER: No.

22 THE COURT: Okay. For the defense?

23 MR. GONZALES: Not for the defense.

24 THE COURT: No?

25 MR. GONZALES: We were just discussing, it would be a

1 standard general release that would contain a non-admission of
2 liability.

3 THE COURT: Sure. Sure. Nobody's admitting
4 anything, and everybody's agreeing to walk away, that this is
5 the end of the litigation between all the parties in this
6 case.

7 All right. Now let me start with Ms. Lebowitz. Do
8 you have any questions about the terms that I outlined?

9 MS. LEBOWITZ: No.

10 THE COURT: Okay. Do you understand all the terms?

11 MS. LEBOWITZ: Yes.

12 THE COURT: Have you had ample time to talk to Ms.
13 Fisher and to me about what's happening, and about how the
14 case is being settled?

15 MS. LEBOWITZ: Yes.

16 THE COURT: Okay. Are you settling the case because
17 you believe it's in your best interest, and based on the
18 advice of your lawyer?

19 MS. FISHER: As opposed to being coerced.

20 MS. LEBOWITZ: Yes.

21 THE COURT: Yes. And that's my next question. Do
22 you feel any coercion, or has anybody coerced you, forced you,
23 or threatened you to accept this settlement?

24 MS. LEBOWITZ: No.

25 THE COURT: So you're doing it under your own free

1 will?

2 MS. LEBOWITZ: Yes.

3 THE COURT: All right. Do you understand that if you
4 want to you can have a jury trial either with Judge Pratter,
5 or if she dismisses the Federal claims, in State Court?

6 MS. LEBOWITZ: Yes.

7 THE COURT: And by settling today you're giving up
8 your right to pursue this action, and you're going to accept
9 the terms we outlined here today, and the case will be
10 dismissed?

11 MS. LEBOWITZ: Yes.

12 THE COURT: And it will be over forever.

13 MS. LEBOWITZ: Yes.

14 THE COURT: Okay. Any questions of me, or Ms. Fisher
15 before we proceed any further?

16 MS. LEBOWITZ: No.

17 THE COURT: Okay. So you're settling on your own
18 free will?

19 MS. LEBOWITZ: Yes.

20 THE COURT: All right. Now who wants to speak for
21 the defense? Should I speak with Ms. Widlansky? Is she the
22 representative? Or does everybody have to -- I'll ask Ms. --
23 who's representing the corporate entities?

24 MR. GONZALES: Yeah, I would say the parties, Your
25 Honor. If that's okay.

1 THE COURT: All right. Are you settling the case
2 because you believe it's in the best interest of Tacony
3 Academy and Santilli & Thompson. Mr. Santilli?

4 MR. SANTILLI: Yes, Your Honor.

5 THE COURT: Ms. Cruise?

6 MS. CRUISE: Yes.

7 THE COURT: All right. And are you entering this
8 settlement subject to the approval of the Board of Directors
9 of the school?

10 MS. CRUISE: Yes.

11 MR. SANTILLI: Yes. The Santilli & Thompson piece is
12 separate --

13 THE COURT: You can settle that.

14 MR. SANTILLI: I can settle that. I have the
15 authority to settle that myself.

16 THE COURT: Okay. So we just have to wait for the
17 school portion of it.

18 MR. SANTILLI: Correct.

19 THE COURT: But the School Board's decision is going
20 to be contingent on the whole deal, correct?

21 MR. SANTILLI: Correct.

22 THE COURT: Okay. That's what I thought. All right.
23 Do you understand that you can have a trial if you want?

24 MR. SANTILLI: Yes, Your Honor.

25 MS. CRUISE: Yes, Your Honor.

1 THE COURT: All right, are you settling the case
2 because you believe it's in your institution's best interest
3 and based on the advise of your lawyers, Ms. Walsh and Mr.
4 Gonzales?

5 MS. CRUISE: Yes.

6 MR. SANTILLI: Yes.

7 THE COURT: Okay. And do you understand that by
8 settling the case today, the case is going to be over subject
9 to Board approval, and you won't have a jury trial?

10 MR. SANTILLI: Yes.

11 MS. CRUISE: Yes.

12 THE COURT: Yes. Okay. Did anybody threaten, or
13 coerce, or force you to accept the settlement?

14 MS. CRUISE: No.

15 MR. SANTILLI: No.

16 THE COURT: Okay. And are you settling the case on
17 your own free will because you believe it's in the best
18 interest of both institutions?

19 MS. CRUISE: Yes.

20 MR. SANTILLI: Yes.

21 THE COURT: Okay. Do you have any questions of me or
22 your lawyers about the terms of the settlement?

23 MS. CRUISE: No.

24 MR. SANTILLI: No.

25 THE COURT: No. All right. Ms. Widlansky, you're

1 here as a representative of the insurance company. Since you
2 have a major role in this, do you agree with everything the
3 two clients said in terms of the process?

4 MS. WIDLANSKY: Yes, I agree.

5 THE COURT: Okay. Very good. Any counsel have any
6 other questions or things they want to place on the record?

7 MS. FISHER: No, Your Honor.

8 THE COURT: All right. I'm going to advise Judge
9 Pratter the case is settled, subject to the Board approval,
10 which I'll be out next week, but could you notify Judge
11 Pratter next week when you notify Ms. Fisher that -- of the
12 Board's action, so she can -- at that time she'll dismiss the
13 case, and she'll dismiss -- before she does that, the two
14 individual defendants.

15 All right, it's been a pleasure spending the morning
16 with you folks. Thank you for your patience. I know this is
17 always a stressful and difficult process, but I always
18 appreciate it when everybody approaches the process with an
19 open mind and is reasonable and willing to negotiate, and I've
20 seen that from both sides of the table and it makes this a
21 much more pleasant experience for everyone. So thank you.

22 All right. Thanks Kristin.

23 (Case adjourned)

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C E R T I F I C A T I O N

I, Josette Jones, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

JOSETTE JONES

DATE

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